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Chief Executive Officer

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April 5, 2016

To: Supervisor Hilda L. Solis, Chair
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: Sachi A. Hamai
Chief Executive Officer

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Second District

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Third District

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Fifth District

SACRAMENTO UPDATE

Executive Summary

This memorandum contains a report on the following:

- **Pursuit of County Position on a State Budget Proposal.** Consistent with Board-approved policy to support proposals which increase funding for homeless assistance programs, this office will pursue a County-sponsored budget proposal to establish a new State Matching Fund Program to combat homelessness, which would be funded with \$100.0 million in one-time State General Fund (SGF) in FY 2016-17. The proposal would make funding available to counties and cities, and is consistent with the Board's approval of the County's Homeless Initiative recommendations to: 1) provide subsidized housing to homeless disabled individuals pursuing Supplemental Security Income; 2) partner with cities to expand Rapid Re-Housing; 3) provide housing choice vouchers for permanent supportive housing; 4) provide interim/bridge housing for those exiting institutions; and 5) enhance the emergency shelter system. **Therefore, unless otherwise directed by the Board, the Sacramento advocates will pursue a budget proposal to establish a new State Matching Fund Program to combat homelessness, which would be funded with \$100.0 million SGF in FY 2016-17, for counties and cities to use for specific, highly-effective strategies to help homeless individuals and families.**

"To Enrich Lives Through Effective And Caring Service"

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Pursuit of County Position on a State Budget Proposal

On February 9, 2016, the Board unanimously approved a comprehensive plan of 47 strategies to combat homelessness throughout the County. These strategies were developed by the Chief Executive Office's County Homeless Initiative in collaboration with 25 County departments, 30 cities and more than 100 community organizations.

In Los Angeles County, there has been a significant increase in homelessness, especially among those living in tents, makeshift shelters, and vehicles. According to the Los Angeles Homeless Services Authority, the total point-in-time homeless population in the County was 39,461 in 2013 and 44,359 in 2015, which equals a 12.4 percent increase. The homeless population in tents, makeshift shelters, and vehicles saw an increase of 85 percent from 2013 (5,335) to 2015 (9,335).

This office will pursue a County-sponsored budget proposal to establish a new State Matching Fund Program to combat homelessness, which would be funded with \$100.0 million in one-time State General Fund (SGF) in FY 2016-17. The proposal would provide 50/50 matching funds for counties and cities that commit their own funds, and/or federal housing subsidies they administer. Counties and cities could use the funding for any combination of the following five authorized strategies.

- Subsidized Housing for Homeless Disabled Individuals Pursuing Supplemental Security Income (SSI). Providing housing for homeless disabled individuals significantly increases the likelihood that they will qualify for SSI and sustain housing without a subsidy (or with a modest subsidy) upon approval for SSI. For individuals approved for SSI, housing subsidies can be recouped through Interim Assistance Reimbursement, and the recouped funding can be used to provide a housing subsidy for additional homeless disabled individuals pursuing SSI. The State would match county and city contributions for housing subsidies, and could recover its contribution for individuals approved for SSI and use the recovered funding for subsidies for other disabled homeless individuals.
- Rapid Re-Housing. These programs target homeless families and individuals who have low- to moderate- barriers to maintaining permanent housing. Rapid re-housing is the most effective and efficient intervention for more than 50 percent of homeless individuals and families based on available data. With short-term financial assistance, case management and targeted supportive services, homeless families and individuals are likely to secure an income adequate to maintain unsubsidized permanent housing. The State would match county and city contributions for rapid re-housing for homeless families and individuals who have a good chance of being able to pay their own rent in six to twelve months, typically through employment.

- Housing Choice Vouchers for Permanent Supportive Housing. Housing Choice Vouchers (HCV) are the primary source of permanent housing for chronically homeless adults, the homeless population most in need of permanent supportive housing. Supportive housing combines a permanent housing subsidy with case management, health, mental health, substance use disorder treatment, and other services. Public housing authorities can dedicate HCVs that become available through routine turnover for this population; however, funding is needed for the associated services. The State can incentivize public housing authorities to dedicate Section 8 vouchers to chronically homeless adults by providing \$500 per month per person or household for supportive services for three years.
- Interim/Bridge Housing for those Exiting Institutions. Institutions and major systems, including hospitals, jails, prisons, and foster care, need to discharge people with appropriate planning and sufficient resources to ensure that they have housing upon discharge. Various forms of interim/bridge housing need to be available to promote successful reintegration into the community and to avoid recidivism. These housing options include shelter beds, stabilization beds, shared recovery housing, recuperative care beds, and board and care. The State would match county and city contributions for up to three months of bridge housing for individuals exiting jails, hospitals, prison, foster care, juvenile probation, and the military.
- Enhance the Emergency Shelter System. The emergency shelter system should be an effective point-of-access to and component of an integrated homeless services system. An adequate crisis housing system ensures that individuals, families, and youth have a safe place to stay in the short-term, with access to resources and services that will help them exit homelessness quickly, and optimally within 30 days. Emergency shelters must operate 24 hours a day, seven days a week to effectively triage, assess, and connect clients to housing, health and social services. The State would match county and city contributions to enable emergency shelters to remain open 24/7 and function as an effective platform for access to ongoing housing and services.

According to the Chief Executive Office's County Homeless Initiative, the Board has approved \$57.4 million to implement the strategies specified in the budget proposal. Additionally, the Housing Authority of the County of Los Angeles will dedicate an estimated 850 Housing Choice Vouchers for permanent supportive housing for the chronically homeless in FY 2016-17 and FY 2017-18. Therefore, the County could leverage its funding to access State matching funds if this proposal is enacted. The amount of funding that the County could access would depend on the total amount appropriated and the number of other local jurisdictions that would qualify for the matching funds.

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The Chief Executive Office's County Homeless Initiative indicates that the provision of State matching funds would substantially augment the funding which the County has been able to commit to combat homelessness, and thereby increase the number of homeless families and individuals whom the County could help transition into permanent housing. The availability of State matching funds could also incentivize cities in the County to commit their own funds and the Housing Choice Vouchers which they administer, thereby further strengthening the effort to combat homelessness across the County.

This budget proposal is consistent with Board-approved policy to support proposals which increase funding for homeless assistance programs, including supportive housing, supportive services, and emergency services, and consistent with the Board's approval of the County's Homeless Initiative recommendations to: 1) provide subsidized housing to homeless disabled individuals pursuing Supplemental Security Income; 2) partner with cities to expand Rapid Re-Housing; 3) provide housing choice vouchers for permanent supportive housing; 4) provide interim/bridge housing for those exiting institutions; and 5) enhance the emergency shelter system. **Therefore, unless otherwise directed by the Board, the Sacramento advocates will pursue a budget proposal to establish a new State Matching Fund Program to combat homelessness, which would be funded with \$100.0 million in SGF in FY 2016-17, for counties and cities to use for specific, highly-effective strategies to help homeless individuals and families.**

We will continue to keep you advised.

SAH:JJ:MR
OR:gl

c: All Department Heads
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